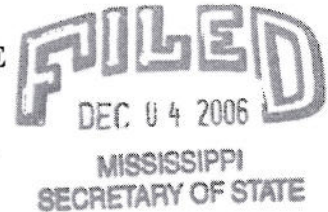


NOTICE OF RULE ADOPTION—FINAL RULE

STATE OF MISSISSIPPI
MISSISSIPPI DEVELOPMENT AUTHORITY



Mississippi Development Authority
c/o Shana Watkins Harrell
Financial Resources Division
P.O. Box 849
Jackson, MS 39205-0849
601-359-3039
sharrell@mississippi.org

Specific Legal Authority Authorizing the
promulgation of Rule: Sections 29-7-1

Reference to Rules repealed, amended or suspended
by the Proposed Rule:

Date Rule Proposed:

Explanation of the Purpose of the Proposed Rule and the reason(s) for proposing the rule: The proposed rules and regulations must be adopted in order for the MMEIA to carry out its legislatively assigned duties of issuing seismic permits for onshore state-owned lands under MMEIA jurisdiction.

The Agency Rule Making Record for this rule including any written comments received during the comment period and the record of any oral proceeding is available for public inspection by contacting the Agency at the above address.

☒ An oral proceeding was held on this rule:

Date: Friday, November 10, 2006

Time: 10am

Place: MS Public Service Commission Hearing Room

Woolfolk State Office Building, 501 North West Street, Jackson, MS 39201

☐ An oral proceeding was not held on this rule.

The Agency has considered the written comments and the presentations made in any oral proceedings, and

☐ This rule as adopted is without variance from the proposed rule.

☒ This rule as adopted differs from the proposed rule as there are minor editorial changes which affect the form rather than the substance of the rule.

☐ The rule as adopted differs from the proposed rule. The differences however are:

Within the scope of the matters in the Notice of Proposed Rule Adoption, the logical outgrowth of the contents of the Notice of Proposed Rule Adoption and the comments submitted in response thereto, and

The Notice of Proposed Rule Adoption provided fair warning that the outcome of the proposed rule adoption could be the rule in question.

The entire text of the Proposed Rule including the text of any rule being amended or changed is attached.

Effective Date of Rule: 12/4/06

Signature and Title of Person Submitting Rule for Filing



CONCISE SUMMARY OF ECONOMIC IMPACT STATEMENT

STATE OF MISSISSIPPI MISSISSIPPI DEVELOPMENT AUTHORITY

Mississippi Development Authority
Shana W Harrell
Financial Resources Division
P.O. Box 849
Jackson, MS 39205
601-359-3039
sharrell@mississippi.org

Specific Legal Authority Authorizing the promulgation of
Rule: {Insert citation to state or federal statute, or rule
25-43-3.105 and 29-7-1

Reference to Rules repealed, amended or suspended by the
Proposed Rule : { Insert citation to specific rule(s) repealed,
amended or suspended

An Economic Impact Statement is required for this proposed rule by Section 25-43-3.105 of the Administrative Procedures Law. This is a Concise Summary of the Economic Impact Statement, which must be filed with the Notice of Proposed Rule Adoption in the Secretary of State's Office. The full text of the Economic Impact Statement may be obtained from the agency contact person at the above address.

Persons may present their views by submitting written comments on the proposed rule adoption to the agency contact person at the above address. Additional information on where, when and how persons may present their views or demand an oral proceeding on the proposed rule are included in the Notice of Proposed Rule Adoption to which this is attached.

- a. Description of the need for and the benefits of the proposed rule:
Seismic permits must be issued in order for oil companies to be able to evaluate the potential of state-owned minerals.
- b. Cost estimate to the agency and other state or local government entities:
All costs are covered by the seismic companies.
- c. Estimate of the cost or economic benefit to all persons:
The benefits are significant. For 3D there are .54 jobs/sq.mi., \$17,908/sq.mi. labor income and \$1,075/sq.mi general fund revenue. For 2D there are .31 jobs/linear mile, \$10,130/linear mile labor income, and \$609/linear mile general fund revenue.
- d. Analysis of the impact on small business:
Local businesses will gain by support goods and services for the seismic operations.
- e. Comparison of the costs and benefits of the proposed rule to the probable costs and benefits of not adopting the rule:
Without rules and regs there will be no seismic surveys which means no permit related fees, no local businesses supporting company activity, and most likely no leasing of state minerals.
- f. Determination as to whether less costly or less intrusive methods exist to achieve the purpose of the rule:
Seismic is the industry standard for preliminary oil and gas exploration. There is no better way to explore.
- g. Description of reasonable alternative methods and reasons for rejection of the alternative methods:
While other geophysical methods exist such as geochemistry, gravity, magnetics and others, only seismic gives the information most needed for projects to move forward. The industry begins serious work with seismic surveys.
- h. Data and methodology in making the estimates in the economic impact statement:
Cost data from recent 2D and 3D surveys was collected and analysed. From that data calculations were made for job creation and the other financial benefits.

Date Rule Proposed: October 12, 2006

Proposed Effective Date of Rule: November 21, 2006

Signature and Title of Person Submitting Rule for Filing